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18 *and the Proposed Class*

19 **UNITED STATES DISTRICT COURT**  
20 **NORTHERN DISTRICT OF CALIFORNIA**

21 LEVELFIELDS, INC., individually  
22 and on behalf of all others similarly  
23 situated,

24 Plaintiffs,

25 vs.

26 REDDIT, INC., a California  
27 Corporation,

28 Defendants.

Case No.

**CLASS ACTION COMPLAINT**

**JURY TRIAL DEMANDED**

1 Plaintiff LevelFields, Inc. (“LevelFields” or “Plaintiff”), individually and on behalf  
2 of all others similarly situated, makes the following allegations based upon information  
3 and belief, except as to those allegations specifically pertaining to Plaintiff and its counsel,  
4 which are based on personal knowledge. Plaintiff brings this action for restitution and  
5 monetary damages against defendant Reddit, Inc. (“Defendant” or “Reddit”), demanding a  
6 trial by jury.

7 **THE PARTIES**

8 1. Plaintiff LevelFields, Inc. (“LevelFields” or “Plaintiff”) is a Virginia  
9 Corporation with its principal offices located at 1934 Old Gallows Road, Vienna, Virginia,  
10 22182.

11 2. Reddit, Inc. (“Reddit”) is a California corporation with its principal place of  
12 business at 548 Market Street, San Francisco, California 94104. Reddit is a social media  
13 website. Reddit operates several websites, including “reddit.com” which allows users to  
14 view and share links or text posts for others to see.

15 **JURISDICTION AND VENUE**

16 3. This Court has jurisdiction over this action pursuant to 28 U.S.C. §1332(d)(2).  
17 If a class is certified in this action, the amount in controversy will exceed \$5,000,000.00,  
18 exclusive of interest and costs, and this is a class action in which at least one member of  
19 the Class is a citizen of a state different from any defendant.

20 4. Pursuant to 28 U.S.C. § 1391, this Court is the proper venue for this action  
21 because a substantial part of the events, omissions, and acts giving rise to the claims herein  
22 occurred in this District: Defendants gain significant revenue and profits from doing  
23 business in this District,

24 5. Class Members affected by the practices asserted herein reside in this District,  
25 and Defendants employ numerous people in this District. Each Defendant has transacted  
26 business, maintained substantial contacts, and/or committed overt acts in furtherance of the  
27 illegal scheme and conspiracy throughout the United States, including in this District.  
28 Defendants’ conduct had the intended and foreseeable effect of causing injury to persons

1 residing in this District.

2 **FACTUAL ALLEGATIONS**

3 **A. Reddit’s Advertising Policies**

4 6. Reddit is a social news aggregation, content rating, and forum social network.  
5 It is a platform that allows users to share news stories, images, and videos, and engage in  
6 discussions with other users.

7 7. Reddit also permits Reddit’s advertising customers to purchase advertising  
8 that links from Reddit’s website to the customer’s website.

9 8. Reddit’s advertising platform allows businesses to create and display ads on  
10 the platform. Reddit offers a range of ad formats, including banner ads, video ads, and  
11 sponsored posts. These ads can be targeted to specific subreddits (communities) or  
12 demographic groups, allowing businesses to reach the right audience for their products or  
13 services.

14 **B. Click-Through Fraud**

15 9. “Click-through fraud” is the term the industry uses to describe clicks on a  
16 search advertisement with no intention of doing business with the advertiser and for some  
17 purpose other than that contemplated by the posted ad. It is not “fraud” as such is  
18 understood at common law nor under the pleading requirements of the federal rules; rather,  
19 it merely describes purposeful clicks on advertisements by someone other than a potential  
20 customer.

21 10. Click-through fraud perpetrators exploit the nature of pay-per-click  
22 advertising to increase the pay-per-click fees paid by competitors and boost the placement  
23 of their own advertisements. Many of these fraudulent clickers use software programs that  
24 automatically click on ads hundreds or thousands of times.

25 11. Click-through fraud can be prevented by tracking the use of a pay-per-click  
26 advertisement, including the identity and/or source of those clicking on the  
27 advertisement/link and the frequency of such activity. Such tracking can be  
28 accomplished by computer programs that count the number and timing of clicks

1 originating from a single source and whether those clicks result in a sale.

2 12. Tracking fraudulent clicks at the source—that is, the website on which the  
3 advertisement clicked on appears--is even more effective since websites that host  
4 advertisements provide tracking data to Reddit with every click.

5 13. Reddit appears to be at least partially able to ascertain which “clicks”  
6 constitute “invalid clicks” or “click-through fraud” insofar as it has provided a small  
7 number of rebates to advertisers who have complained of being charged for “invalid  
8 clicks.”

9 14. Reddit is in a unique position to track click-through fraud that originates  
10 through its own advertising program since these advertisements are displayed on Reddit’s  
11 platform.

### 12 **C. Plaintiff’s Experience**

13 15. On or about September 9, 2022, Plaintiff contracted with Reddit to authorize  
14 Reddit to place its Ads on reddit.com. A true and correct copy of the contract is attached  
15 hereto as Exhibit A.

16 16. Section 1 of the contract states that the agreement “is subject to the IAB  
17 Standard Terms And Conditions Version 3.0.” The Terms and Conditions, in the pertinent  
18 part, state as follows:

19 When serving your Ad, Reddit will use reasonable means to ensure  
20 that the Ad is delivered according to your criteria, but Reddit does not  
21 guarantee in every instance that your Ad will reach users with your  
22 selected criteria, reach the users that you intended when you selected  
23 the criteria, and/or deliver any specific result. You will pay for your  
24 use of the Platform after your Ad is delivered based on Reddit’s  
25 calculation of amounts due and Reddit’s measurement of the  
26 applicable billing metrics, such as impressions, views or clicks.  
27 Amounts due are exclusive of taxes.

28 You will not and will not authorize any third party to generate invalid  
or fraudulent impressions, clicks, or other desired actions with respect  
to the Platform or to use any unauthorized means to extract advertising  
or performance-related data from the Platform. You acknowledge that  
third parties may generate impressions, clicks, or other desired actions  
with respect to your advertisements for prohibited or improper  
purposes.

1 17. Reddit began charging Plaintiff for clicks, but Plaintiff's system did not log  
2 traffic which corresponded with the clicks they were charged for.

3 18. Plaintiff contacted Reddit to request their click logs which would show  
4 associated IP addresses. Reddit, however, provided click logs without IP addresses. Reddit  
5 represented that it was not able to provide IP addresses. Plaintiff is informed and believes  
6 that representation is false, because Reddit has to know where traffic was coming from for  
7 security and monitoring purposes. Alternatively, Reddit is failing to provide minimal levels  
8 of security and monitoring of clicks on its platform, in violation of its duties. As a result,  
9 Plaintiff is informed and believes, and on that basis alleges, that Plaintiff, and other Class  
10 Members, were charged by Defendant for fraudulent clicks.

### 11 CLASS ALLEGATIONS

12 19. Plaintiff brings this action on behalf of itself and as representative of all  
13 others who are similarly situated. Plaintiff brings this action on behalf of himself and as  
14 representatives of all others similarly situated. Pursuant to Rules 23(a), (b)(2), and/or  
15 (b)(3) of the Federal Rules of Civil Procedure, Plaintiff seeks certification of the  
16 following class initially defined as follows:

17 *All persons residing in the United States who, from*  
18 *May 8, 2020 until the date that notice of this class*  
19 *action is disseminated to the class, paid Reddit for*  
20 *Ads (the "Class").*

21 20. Excluded from each of the above classes are Defendants, including any entity  
22 in which Defendants have a controlling interest, are a parent or subsidiary, or which are  
23 controlled by Defendants, as well as the officers, directors, affiliates, legal representatives,  
24 predecessors, successors, and assigns of Defendants. Also excluded are the judges and  
25 court personnel in this case and any members of their immediate families.

26 21. Plaintiff reserves the right to amend or modify the above class definitions with  
27 greater specificity or division into subclasses after having had an opportunity to conduct  
28 discovery.

1           22. This action has been brought and may be properly maintained on behalf of  
2 the Class proposed herein under Rule 23 of the Federal Rules of Civil Procedure.

3           23. Numerosity. Fed. R. Civ. P. 23(a)(1). The members the Class are so  
4 numerous that joinder of all members is impractical. Plaintiff is informed and believes that  
5 there are thousands of members of each of the classes. The precise number of class  
6 members can be ascertained from Defendants' records.

7           24. Commonality and Predominance. Fed. R. Civ. P. 23(a)(2) and (b)(3). There  
8 are questions of law and fact common to each class, which predominate over any questions  
9 affecting individual members of each respective class. These common questions of law  
10 and fact include, without limitation:

- 11           a. Whether Defendants entered into contracts with Plaintiff and members of the  
12           Class;
- 13           b. The construction of the agreement between Defendants on the one hand and  
14           Plaintiff and members of the Class on the other;
- 15           c. Whether Defendants breached their agreements with Plaintiff and the Class;
- 16           d. Whether Defendants breached the covenant of good faith and fair dealing;
- 17           e. Whether Defendants' conduct as alleged herein is unfair, unlawful and or  
18           fraudulent in violation of California's Unfair Competition Law (Bus. & Prof.  
19           Code, §§ 17200, *et seq.*); and
- 20           f. Whether Plaintiff and the members of the Class have been damaged by the  
21           wrongs complained of herein, and if so, the measure of those damages and the  
22           nature and extent of other relief that should be afforded.

23           25. Typicality. Fed. R. Civ. P. 23 (a)(3). Plaintiff's claims are typical of the  
24 claims of the Class they seek to represent. Plaintiff and all Class members were exposed  
25 to uniform practices and sustained injuries arising out of and caused by Defendants'  
26 conduct.

27           26. Adequacy of Representation. Fed. R. Civ. P. 23(a)(4). Plaintiff is committed  
28 to the vigorous prosecution of this action and has retained competent counsel experienced

1 in the prosecution of class actions. Accordingly, Plaintiff is an adequate representative and  
2 will fairly and adequately protect the interests of the Class.

3 27. Superiority. Fed. R. Civ. P. 23(b)(3). A class action is superior to other  
4 available methods for the fair and efficient adjudication of this controversy. Since the  
5 amount of each individual Class member's claim is small relative to the complexity of the  
6 litigation, and due to the financial resources of Defendants, no Class member could afford  
7 to seek legal redress individually for the claims alleged herein. Therefore, absent a class  
8 action, Class members will continue to suffer losses and Defendants' misconduct will  
9 proceed without remedy. Even if Class members themselves could afford such individual  
10 litigation, the court system could not. Given the complex legal and factual issues involved,  
11 individualized litigation would significantly increase the delay and expense to all parties  
12 and to the Court. Individualized litigation would also create the potential for inconsistent  
13 or contradictory rulings. By contrast, a class action presents far fewer management  
14 difficulties, allows claims to be heard that might otherwise go unheard because of the  
15 relative expense of bringing individual lawsuits, and provides the benefits of adjudication,  
16 economies of scale, and comprehensive supervision by a single court. Finally, Plaintiff  
17 knows of no difficulty that will be encountered in the management of this litigation which  
18 would preclude its maintenance as a class action.

19  
20 **FIRST CLAIM FOR RELIEF**

21 **Breach of Contract**

22 **(By Plaintiff And Class Members Against Defendants)**

23 28. Plaintiff realleges and incorporates by reference the allegations contained in  
24 paragraphs 1 through 27, inclusive, of this Complaint, as though fully set forth herein and,  
25 to the extent necessary, plead this cause of action in the alternative.

26 29. Plaintiff brings this claim individually and on behalf of the members of the  
27 Class against Defendants under California law, or, alternatively, under the laws of the all  
28 states, as there is no material difference in the law of breach of contract as applied to the  
claims and questions in this case.

1 30. By paying Defendant money to post Ads on reddit.com, Plaintiff and the Class  
2 contracted with Defendants. Defendants entered into a contract with Plaintiff and the  
3 members of the Class. These agreements contained an implied covenant of good faith and  
4 fair dealing that Defendants would not do anything that would have the effect of injuring  
5 the right of Plaintiff and the Class to receive the benefits of the contract.

6 31. Plaintiff and the members of the Class fully performed and satisfied their  
7 obligations under the contract that Defendants formed with them.

8 32. Defendants breached the contracts with Plaintiff and the Class, and the  
9 covenant of good faith and fair dealing, by collecting fees from Plaintiff and the Class for  
10 clicks even though Defendants knew, or should have reasonably known, that the clicks  
11 were not actual and actionable. Defendants further breached the contract with Plaintiff and  
12 the Class by failing to implement effective oversight over the generation clicks.

13 33. As a direct and proximate result of Defendants' breach of contract, Plaintiff  
14 and the Class have been damaged in an amount to be determined at trial.

15 WHEREFORE, Plaintiff and the Class pray judgment against Defendants as  
16 hereafter set forth.

17 **SECOND CLAIM FOR RELIEF**

18 **Violation of California's Unfair Competition Law**  
19 **(By Plaintiff And Class Members Against Defendants)**

20 34. Plaintiff realleges and incorporates by reference the allegations contained in  
21 paragraphs 1 through 27, inclusive, of this Complaint, as though fully set forth herein and,  
22 to the extent necessary, plead this cause of action in the alternative.

23 35. Plaintiff brings this claim individually and on behalf of the members of the  
24 Class against Defendants under California law.

25 36. Plaintiff has standing to pursue this cause of action as Plaintiff has suffered  
26 injury in fact and has lost money or property as a result of Defendants' actions as delineated  
27 herein.  
28



1 37. Defendants’ scheme, as delineated herein, constitutes unlawful, unfair, or  
2 fraudulent business practices in violation of California Business and Professions Code  
3 sections 17200, *et seq.*

4 38. Defendants’ business practices, as alleged herein, violate the “unfair” prong  
5 of California Business & Professions Code sections 17200, *et seq.* because: (i) the utility  
6 of Defendants’ scheme is significantly outweighed by the gravity of the harm the scheme  
7 imposes on Plaintiff and the Class; (ii) the injury suffered by Plaintiff and the Class as a  
8 result of Defendants’ scheme is not one that Plaintiff and the Class could have reasonably  
9 avoided; and (iii) Defendants’ scheme runs counter to legislatively declared and public  
10 policy.

11 39. Defendants’ business practices, as alleged herein, violate the “unlawful”  
12 prong of California Business & Professions Code sections 17200, *et seq.* because they  
13 constitute a breach of the contracts between Plaintiff and Class members on the one hand  
14 and Defendants on the other and because Defendants have been unjustly enriched.

15 40. Defendants’ business practices, as alleged herein, violate the “fraudulent”  
16 prong of California Business & Professions Code section 17200, *et seq.* because they are  
17 likely to deceive a reasonable consumer.

18 41. Accordingly, Defendants violated, and continue to violate, California  
19 Business and Professions Code section 17200’s proscription against engaging in unlawful  
20 business acts or practices.

21 42. As a direct and proximate result of Defendants’ unlawful, unfair, and  
22 fraudulent business practices, Plaintiff and the Class have suffered injury in fact and lost  
23 money or property in that they purchased and paid for clicks that produced no website  
24 traffic and as a result, were useless.

25 43. Pursuant to California Business and Professions Code section 17203, Plaintiff  
26 and the Class seek an order of this court enjoining Defendants from continuing to engage  
27 in unlawful, unfair, or deceptive business practices and any other act prohibited by law,  
28 including those acts set forth in the complaint.

1 44. Plaintiff and the Class also seek an order requiring Defendants to make full  
2 restitution of all monies they wrongfully obtained from Plaintiff and the Class.

3 WHEREFORE, Plaintiff and the Class pray judgment against Defendants as  
4 hereafter set forth.

5 **PRAYER FOR RELIEF**

6 WHEREFORE, Plaintiff, individually and on behalf of all others similarly situated,  
7 respectfully requests that the Court enter judgment against Defendants, as follows:

8 1. An order certifying appropriate classes and/or subclasses, designating  
9 Plaintiff as the class representative and its counsel as class counsel;

10 2. An order enjoining Defendants from continuing to engage in the practices  
11 complained of herein;

12 3. An award of restitution, damages, and disgorgement to Plaintiff and the Class  
13 in an amount to be determined at trial;

14 4. An order requiring Defendants to pay both pre- and post-judgment interest on  
15 any amounts awarded, as allowed by law;

16 5. An award of costs and attorneys' fees, as allowed by law; and

17 6. Such other or further relief as may be appropriate.

18  
19 DATED: May 8, 2024

**HAFFNER LAW PC**

20  
21 By:           /s/ Trevor Weinberg            
22 Joshua H. Haffner  
23 Alfredo Torrijos  
24 Trevor Weinberg  
25 Attorneys for Plaintiff  
26  
27  
28

**DEMAND FOR JURY TRIAL**

Plaintiff, individually and on behalf of all others similarly situated, hereby demands a trial by jury of any and all issues in this action so triable of right.

DATED: May 8, 2024

**HAFFNER LAW PC**

By:           /s/ Trevor Weinberg            
Joshua H. Haffner  
Alfredo Torrijos  
Trevor Weinberg  
*Attorneys for Plaintiff*

# ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Advertiser Accuses Reddit of Allowing 'Click-Through Fraud' for Search Ads](#)

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